

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
Telecommunications Services ) CS Docket No. 95-184  
Inside Wiring )  
Customer Premises Equipment )

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To: The Commission

**REPLY COMMENTS OF TANDY CORPORATION**

Tandy Corporation (Tandy), pursuant to 47 C.F.R. § 1.415(b), hereby respectfully submits its Reply to Comments on the Notice of Proposed Rule Making (NPRM) in the captioned proceeding.<sup>1</sup>

In its March 18 Comments on the NPRM, Tandy supported the Commission's proposals to harmonize its rules and policies governing cable and telephony inside wiring and CPE. Many parties commenting on the NPRM agree that harmonization of such rules and policies to maximize consumer control over inside wiring and CPE will serve the public interest.

**I. THE COMMISSION SHOULD ESTABLISH COMMON RULES FOR NARROW- AND BROADBAND CUSTOMER PREMISES EQUIPMENT**

The Commission should enact rules implementing new Section 629(a) of the Communications Act (Section 304 of the 1996 Act) in this proceeding. Section 629 establishes the right of consumers

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1. NPRM released January 26, 1996, FCC 95-504.

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to connect their own CPE to the facilities of a multichannel video programming distributor (MVPD)<sup>2</sup> for any service offered over such facilities.

Section 629(a) directs the Commission to

adopt regulations to assure the commercial availability, to consumers of multichannel video programming systems, of convertor boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems, from manufacturers, retailers, and other vendors not affiliated with any multichannel video programming distributor. . . .

Telecommunications Act of 1996, Pub. L. No. 104-104, § 304(a), 110 Stat. 56 (1996) (to be codified at 47 U.S.C. § 549).

**A. Consumers Have A Statutory Right To Connect CPE To Multichannel Video Programming Distributor Facilities**

The Commission requested "comment on whether to allow customers to use and connect their cable-related CPE, such as set-top boxes, to cable facilities . . . ." NPRM ¶ 71. Section 629(a) requires the Commission to establish rules that permit consumers to use and attach their CPE not only to cable facilities but also to the facilities of any MVPD. "One purpose of this section [629] is to help ensure that consumers are not forced to purchase or lease a specific, proprietary box, interactive device or other equipment from the cable system or

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2. MVPDs include "a cable operator, a multichannel multipoint distribution service, a direct broadcast satellite service, or a television receive-only satellite program distributor, who makes available for purchase, by subscribers or customers, multiple channels of video programming." 47 U.S.C. § 522(12).

network operator." H.R. Rep. No. 458, 104th Cong. 2d Sess., at 181 (1996).

Parties commenting on the NPRM urge the Commission to allow consumers to freely purchase, install and maintain their own cable CPE. The Media Access Project and Consumer Federation of America note that "subscriber ownership of cable CPE would foster increased technological advancements and provide consumers with greater choice." Media Access Project and Consumer Federation of America at 19. IDCMA at 12 states that "[u]nbundling cable CPE . . . will allow independent manufacturers to enter the important new market for cable CPE." IDCMA at 12. See also Circuit City Stores, Inc. at 4-6; Compaq Computer Corporation at 11 ("the Commission should . . . ensure that competitively provided CPE will be able to interoperate with cable systems"); Consumer Electronics Manufacturers Association at 9-15; Information Technology Industry Council at 15 ("the Commission's rules should make clear that users have the right to interconnect . . . equipment to the cable network"); NYNEX at 20. The Commission's rules, therefore, should reflect a consumer's statutory right to connect his own CPE to MVPD facilities for any service offered over such facilities.

**B. The Commission Should Implement The Statutory Prohibition Against The Bundling Of CPE With Service Offered Over Multichannel Video Programming Distributor Facilities**

The National Cable Television Association suggests that cable companies should be the sole purveyors of set top boxes that contain descrambling capabilities. See NCTA at 32. The Commission should not permit monopolization of the set top box market merely because cable companies choose to incorporate security features in their set top boxes. Rather, as a number of commentators have noted the descrambling device should be separate and apart from cable converter boxes.

US WEST, for example, suggests that "the Commission direct the development of a standard for an external component which would attach to a customer's existing video equipment . . . and have the capability for all required scrambling and decoding." US WEST at 13-14. Compaq Computer Corporation states that "all non-security functionality must be offered through unbundled, competitively provided equipment." Compaq Computer Corporation at 13. The Consumer Electronics Manufacturers Association notes that it "has been working with the cable industry to develop a Decoder Interface Standard (IS-105) . . . [which would] permit the unbundling of all non-security functions from the cable network and permit these functions to be provided in competitively-supplied CPE." Consumer Electronics Manufacturers Association at 14. In short, the Commission should not countenance any attempt to bundle cable CPE through incorporation of security functions in set top boxes.

Just as it has prohibited the bundling of common carrier services and telephony CPE (see 47 C.F.R. § 64.702(e) ("antibundling rule")), the Commission should prohibit the bundling of any service offered over MVPD facilities with any related CPE. Indeed, Section 629(a) prohibits the bundling of any service offered over MVPD facilities with any related CPE. The Commission's rules should state explicitly that cable operators (and other MVPDs) cannot bundle CPE with any service and that charges for devices and equipment must be "separately stated and not subsidized by charges for any . . . service."

## **II. CONSUMERS SHOULD HAVE THE RIGHT TO PURCHASE AND INSTALL BROADBAND INSIDE WIRING**

Numerous parties commenting on the NPRM urge the Commission to "establish rules that give consumers the right, on their side of the demarcation point, to provide and to install their own broadband inside wiring . . . ." NPRM ¶ 42. GTE notes that "affording all subscribers the right to provide and to install their own cable inside wiring . . . would promote consumer choice, thereby fostering competition and ultimately resulting in lower prices." GTE at 18. The Information Technology Industry Council states that "customers should be free to attach customer-owned, competitively provided inside wiring to the cable system." Information Technology Industry Council at 12-13. The Media Access Project and Consumer Federation of America state that "[a]llowing subscribers to provide, install, and maintain [cable] inside wiring will encourage new entrants to provide wiring,

connectors, fasteners, and even installation services." Media Access Project and Consumer Federation of America at 15. See also Ameritech at 13; Circuit City Stores, Inc. at 14 ("Allowing cable customers the right to maintain their own inside wiring is clearly in the public interest."); Compaq Computer Corporation at 40 ("[E]liminating network service providers' control over inside wiring will benefit consumers by creating a competitive market for new wiring."); Consumer Electronics Manufacturers Association at 6; Pacific Bell at 12-13; Telecommunications Industry Communications at 5 ("By allowing cable consumers to own or lease their own premises wire, they can make choices about quality, configuration and usage."); USTA at 6; US WEST at 12.

American consumers have considerable know-how regarding proper installation of wiring. Consumers have a strong incentive to install properly high quality broadband wiring and connections since poor quality or improper installation may impair signal quality. In fact, the National Cable Television Association notes that "the cable industry has taken measures to educate consumers about handling inside wiring." NCTA at n. 34.

If the Commission, nevertheless, is concerned about signal leakage from consumer-installed broadband wiring, Tandy suggests that it could address such concerns through mandatory labeling requirements and installation instructions for broadband wiring and connectors. In sum, the Commission should foster competition for the provision, installation, and maintenance of broadband

inside wiring by promulgating rules that make clear consumers' rights to purchase and install their own wiring.

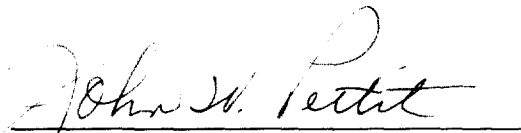
### III. CONCLUSION

In view of the foregoing, the Commission should harmonize its cable and telephony inside wiring and CPE rules to maximize consumer access to and control over inside wiring and CPE.

April 17, 1996

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TANDY CORPORATION

  
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**CERTIFICATE OF SERVICE**

I, Lisa A. Dean, hereby certify that on this 17th day of April 1996, I caused a copy of the attached Reply Comments of Tandy Corporation to be served by hand delivery to the following:

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